

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 223868

20  
ORIGIN AF-08

INFO OCT-01 ISO-00 EB-07 COME-00 OPIC-03 TRSE-00 L-03

XMB-02 /024 R

DRAFTED BY AF/W:RJKOTT/MPH

APPROVED BY AF/W:TWMSSMITH

EB/IFD/OIA:TBRODERICK

DESIRED DISTRIBUTION

COM, OPIC, TREASURY

----- 050786

R 100042Z SEP 76

FM SECSTATE WASHDC

TO AMEMBASSY LAGOS

LIMITED OFFICIAL USE STATE 223868

E.O. 11652: N/A

TAGS: BGEN, EINV, NI

SUBJECT: INDIGENIZATION DECREE: PFIZER INTERNATIONAL  
BEGINS MANEUVERS

1. AF/W VISITED SEPTEMBER 7 BY FOUR MEMBER, HIGH LEVEL  
PFIZER DELEGATION CONSISTING OF EXEC.V.P. BARRY MACTAGGART;  
INTERNATIONAL V.P. R. E. CAWTHORN, V.P. FOR PUBLIC AFFAIRS  
WILLIAM TREHARNE, AND ASSOC. DIR. GOVERNMENT RELATIONS  
JOHN GILBERT. PFIZER EXPRESSED STRONG CONCERN OVER INDIGENIZATION  
DECREE AND COMPANY'S RELUCTANCE TO DIVEST 40  
OF DOLS FOUR MILLION PHARMACEUTICAL PLANT IN NIGERIA WHICH  
CAME ON STREAM THIS YEAR AND WHICH CURRENTLY IS 100  
COMPANY-OWNED. DELEGATION CLAIMS 40 LOSS OF SHARES TO  
NIGERIANS BY 1978 INDIGENIZATION DEADLINE PREMATURE FOR  
NEWLY INAUGURATED PLANT. IN ADDITION, PFIZER WISHES RETAIN  
100 OWNERSHIP AND CONTROL AND FEARS RESULTING CAPITAL LOSS  
AND FURTHER "CREEPING NATIONALIZATION."

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 223868

2. PFIZER TEAM MET EARLIER IN DAY WITH NIGERIAN ECON COUN-

SELOR BORODO WHO OFFERED GUARDEDLY OPTIMISTIC "WAIT AND SEE" ADVICE. COMPANY REPS GAVE BORODO "AIDE MEMOIRE" DESCRIBING THEIR INVESTMENT IN NIGERIA AND STATING THEIR OBJECTIONS TO INDIGENIZATION. THEY ASKED HIM TO INFORM LAGOS ABOUT THEIR POSITION. BORODO SAID HE WOULD DO SO

IF COMPANY INSISTED BUT ADVISED THEM THAT HE THOUGHT TAKING ISSUE WITH INDIGENIZATION POLICY AT THIS TIME WOULD BE UNWISE. PFIZER REPS AND BORODO AGREED THAT HE WOULD HOLD THE "AIDE MEMOIRE" FOR NOW AND THAT THEY WOULD BE IN CONTACT WITH HIM AGAIN IN THE FUTURE.

3. COMPANY SOUGHT DEPARTMENT'S COUNSEL ON WHETHER OR NOT TO PRESS NIGERIANS FOR EXEMPTION TO INDIGENIZATION MEASURES IN ADVANCE OF DECREE'S PUBLICATION OR TO WAIT AND LEARN EXACT WORDING BEFORE MAKING FURTHER DEMARCHE. PFIZER FEELS STEPS TAKEN NOW MAY CAUSE FMG TO RE-THINK POSITION BEFORE ISSUING DECREE. PFIZER AND AF/W DISCUSSED POSSIBILITY THAT OBJECTION AT THIS TIME MIGHT CAUSE FMG TO SINGLE OUT FIRM FOR MORE HARSH TREATMENT THAN WOULD NORMALLY ACCRUE TO ALL FOREIGN FIRMS Affected. COMPANY (AND AF/W) TENDED TO BELIEVE THIS RISK IS MINIMAL. PFIZER REQUESTED DEPARTMENT TO INFORM EMBASSY OF ITS POSITION. COMPANY ALSO ASKED US TO MENTION ITS CONCERN ON APPROPRIATE OCCASION TO FMG.

4. WOULD APPRECIATE ANY EMBASSY COMMENT ON THE FOREGOING, INCLUDING WHAT STEPS (IF ANY) WE MIGHT CONSIDER TAKING ON PFIZER'S BEHALF.

5. COPY OF PFIZER "AIDE MEMOIRE" BEING POUCED TO EMBASSY FOR YOUR INFORMATION.

KISSINGER

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, FOREIGN INVESTMENT, INVESTMENT CLIMATE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 SEP 1976  
**Decapton Date:** 01 JAN 1960  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE223868  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** RJKOTT/MPH  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760341-1239  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760972/aaaacjow.tel  
**Line Count:** 95  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN AF  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 28 JUL 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <28 JUL 2004 by ullricre>; APPROVED <18 OCT 2004 by CunninFX>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** INDIGENIZATION DECREE: PFIZER INTERNATIONAL BEGINS MANEUVERS  
**TAGS:** BGEN, EINV, NI, PFIZER INTNL  
**To:** LAGOS  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006